

**FIRE PROTECTION DISTRICT NO. 7
OF THE PARISH OF LAFOURCHE, STATE OF LOUISIANA
LAFOURCHE PARISH COUNCIL
Thibodaux, Louisiana**

General Purpose Financial Statements
As of and for the Year Ended December 31, 2003



(A Professional Corporation)
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**FIRE PROTECTION DISTRICT NO. 7
OF THE PARISH OF LAFOURCHE, STATE OF LOUISIANA
LAFOURCHE PARISH COUNCIL
Thibodaux, Louisiana**

**General Purpose Financial Statements
As of and for the Year Ended December 31, 2003**

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INDEPENDENT ACCOUNTANT'S COMPILATION REPORT

**Board of Commissioners
FIRE PROTECTION DISTRICT NO. 7
OF THE PARISH OF LAFOURCHE,
STATE OF LOUISIANA
LAFOURCHE PARISH COUNCIL
Thibodaux, Louisiana**

We have compiled the accompanying general-purpose financial statements of the FIRE PROTECTION DISTRICT NO. 7 OF THE PARISH OF LAFOURCHE, STATE OF LOUISIANA, a component unit of the Lafourche Parish Council, as of December 31, 2003, and for the year then ended. The financial statements have been prepared in conformity with generally accepted accounting principles as applied to governmental units in the United States of America.

A compilation is limited to presenting in the form of financial statements information that is the representation of management. We have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or any other form of assurance on them.

A handwritten signature in blue ink, appearing to read "T.S. Kearns & Co.", written over a light blue circular stamp.

February 6, 2004

**FIRE PROTECTION DISTRICT NO. 7
OF THE PARISH OF LAFOURCHE, STATE OF LOUISIANA
LAFOURCHE PARISH COUNCIL
Thibodaux, Louisiana
ALL FUND TYPES AND ACCOUNT GROUPS**

**Balance Sheet
December 31, 2003**

	<u>Governmental Fund - General Fund</u>	<u>General Fixed Assets</u>	<u>Long-Term Obligations</u>	<u>Total (Memorandum only)</u>
ASSETS AND OTHER DEBITS				
Assets:				
Cash - checking	\$ 7,921	\$ -	\$ -	\$ 7,921
Fire protection vehicle	-	60,000	-	60,000
Other debits:				-
Amount to be provided for long-term obligations	-	-	-	-
Total assets and other debits	<u>\$ 7,921</u>	<u>\$ 60,000</u>	<u>\$ -</u>	<u>\$ 67,921</u>
LIABILITIES, EQUITY AND OTHER CREDITS				
Liabilities:				
Note payable	\$ -	\$ -	\$ -	\$ -
TOTAL LIABILITIES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Equity and Other Credits:				
Investment in fixed assets	\$ -	\$ 60,000	\$ -	\$ 60,000
Fund balance - unreserved undesignated	7,921	-	-	7,921
Total equity and other credits	<u>\$ 7,921</u>	<u>\$ 60,000</u>	<u>\$ -</u>	<u>\$ 67,921</u>
Total liabilities, equity and other credits	<u>\$ 7,921</u>	<u>\$ 60,000</u>	<u>\$ -</u>	<u>\$ 67,921</u>

See accompanying notes and accountant's report.

**FIRE PROTECTION DISTRICT NO. 7
OF THE PARISH OF LAFOURCHE, STATE OF LOUISIANA
LAFOURCHE PARISH COUNCIL
Thibodaux, Louisiana
GOVERNMENTAL FUND - GENERAL FUND**

**Statement of Revenues, Expenditures, and Changes in Fund Balance
For the Year ended December 31, 2003**

	<u>Budget</u>	<u>Actual</u>	<u>Variance - favorable (unfavorable)</u>
Revenues:			
Ad valorem tax	\$ 50,000	\$ 56,138	\$ 6,138
Fire insurance rebate	-	4,251	4,251
	<u>50,000</u>	<u>60,389</u>	<u>10,389</u>
Total revenues	\$ 50,000	\$ 60,389	\$ 10,389
Expenditures:			
Fire protection service	\$ 41,390	\$ 54,890	\$ (13,500)
Fire protection supplies	-	510	(510)
Legal & accounting	550	550	-
Advertising	-	43	(43)
Office expenses	45	15	30
Debt service	23,229	23,230	(1)
	<u>65,214</u>	<u>79,238</u>	<u>(14,024)</u>
Total expenditures	\$ 65,214	\$ 79,238	\$ (14,024)
Excess (deficiency) of revenues over expenditures	(15,214)	(18,849)	(3,635)
Fund balance, beginning	<u>26,769</u>	<u>26,769</u>	<u>-</u>
Fund balance, ending	<u>\$ 11,555</u>	<u>\$ 7,921</u>	<u>\$ (3,635)</u>

See accompanying notes and accountant's report.

**FIRE PROTECTION DISTRICT NO. 7
OF THE PARISH OF LAFOURCHE, STATE OF LOUISIANA
LAFOURCHE PARISH COUNCIL
Thibodaux, Louisiana**

**Notes to the Financial Statements
As of and for the Year Ended December 31, 2003**

INTRODUCTION

The Fire Protection District No. 7 of the Parish of Lafourche, State of Louisiana was created by the Lafourche Parish Council, by virtue of the authority conferred by Part I, Chapter 7, Title 40 of the Louisiana Revised Statute of 1950. The district is governed by a five-member board of commissioners, appointed by the council. The district's finances are primarily ad valorem taxes on property located within the district's boundaries. The district comprises and embraces all of the territory contained within Police Jury Ward 5 less and except the area of said Police Jury Ward contained within the City of Thibodaux, Louisiana. The following territory is not included within the boundaries of the District: that part of Police Jury Ward 5, Lafourche Parish, outside the corporate limits of the City of Thibodaux, Louisiana, which lies west of Louisiana Highway 20. The district provides funds to the Lafourche Crossing 308 Volunteer Fire Company, Inc. in return for fire protection services for the district.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Basis of presentation

The accompanying general-purpose financial statements have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

B. Reporting entity

As the governing authority of the parish, for reporting purposes, the Lafourche Parish Council is the financial reporting entity for Lafourche Parish. The financial reporting entity consists of (a) the primary government (parish council), (b) organizations for which the primary government is financially accountable, and (c) other organizations for which nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

GASB Statement No. 14 established criteria for determining which component units should be considered part of the Lafourche Parish Council for financial reporting

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LAFOURCHE PARISH COUNCIL
Thibodaux, Louisiana**

**Notes to the Financial Statements
As of and for the Year Ended December 31, 2003**

purposes. The basic criterion for including a potential component unit within the reporting entity is financial accountability. The GASB has set forth criteria to be considered in determining financial accountability. This criteria includes:

1. Appointing a voting majority of an organization's governing body, and
 - a. The ability of the council to impose its will on that organization and/or
 - b. The potential for the organization to provide specific financial benefits to or impose specific financial burdens on the council.
2. Organizations for which the council does not appoint a voting majority but are fiscally dependent on the council.
3. Organizations for which the reporting entity financial statements would be misleading if data of the organization is not included because of the nature or significance of the relationship.

Because the parish council appoints the governing board and because of the potential for the organization to impose specific financial burdens on the council, the district was determined to be a component unit of the Lafourche Parish Council, the financial reporting entity. The accompanying financial statements present information only on the funds maintained by the district and do not present information on the parish council, the general government services provided by that governmental unit, or the other governmental units that comprise the governmental reporting entity.

C. Fund accounting

The district uses funds and account groups to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain governmental functions or activities.

A fund is a separate accounting entity with a self-balancing set of accounts. On the other hand, an account group is a financial reporting device designed to provide accountability for certain assets and liabilities that are not recorded in the funds because they do not directly affect net expendable available financial resources.

**FIRE PROTECTION DISTRICT NO. 7
OF THE PARISH OF LAFOURCHE, STATE OF LOUISIANA
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Thibodaux, Louisiana**

**Notes to the Financial Statements
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The only fund of the district is the general fund, which is classified as a governmental fund. Governmental funds account for the district's general activities, including the collection and disbursement of specific or legally restricted monies, the acquisition or construction of general fixed assets, and the servicing of general long-term debt. The general fund is the general operating fund of the district that accounts for all financial resources, except those required to be accounted for in other funds.

D. Basis of accounting

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. The General Fund is accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. The operating statement presents increases and decreases in net current assets. The district's records are maintained on the cash basis of accounting. However, the general fund reported in the financial statements has been converted to the modified accrual basis of accounting using the following practices in recording revenues and expenditures:

Revenues -

Ad valorem taxes are recorded as revenue on a modified accrual basis, and therefore, recognized when they become both measurable and available to pay current expenditures.

Interest income is recorded when the interest is available.

Expenditures -

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred.

E. Budgets

As required by the Louisiana Revised Statutes 39:1303, the Board is required to adopt a budget for the District's General fund. All budgeted amounts which are not expended, or obligated through contracts, lapse at year-end.

The General Fund budget is adopted on a basis materially consistent with generally accepted accounting principles.

**FIRE PROTECTION DISTRICT NO. 7
OF THE PARISH OF LAFOURCHE, STATE OF LOUISIANA
LAFOURCHE PARISH COUNCIL
Thibodaux, Louisiana**

**Notes to the Financial Statements
As of and for the Year Ended December 31, 2003**

F. Encumbrances

The district does not use encumbrance accounting.

G. Cash and cash equivalents

Cash and cash equivalents include amounts in interest-bearing demand deposits. Under state law, the district may deposit funds in demand deposits, interest-bearing demand deposits, money market accounts, or time deposits with state banks organized under Louisiana law and national banks having their principal offices in Louisiana.

H. Fixed assets

Fixed assets are recorded as expenditures at the time purchased or constructed, and the related assets are capitalized (reported) in the general fixed assets account group. No depreciation has been provided on general fixed assets. All fixed assets are valued at historical costs.

I. Total columns on statement

The total columns on the statements are captioned Memorandum Only to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position or results of operations in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation.

NOTE 2. LEVIED TAXES

The district is authorized to and has levied a 12.7 mill ad valorem tax.

NOTE 3. CASH AND CASH EQUIVALENTS

At December 31, 2003, the district has cash (book balances) totaling \$ 7,920.56 as follows:

Demand deposits	\$ 7,920.56
	=====

These deposits are stated at cost, which approximate market. Under state law, this deposit (or resulting bank balance) must be secured by federal deposit insurance or the

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**Notes to the Financial Statements
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pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. At December 31, 2003, the district has \$ 7,920.56 in deposits (collected bank balance). This deposit is secured from risk by federal deposit insurance.

NOTE 4. CHANGES IN GENERAL FIXED ASSETS

A summary of changes in general fixed assets follows:

	Balance December 31, 2002	Additions (Capital outlays)	Balance December 31, 2003
Fire protection vehicle	\$ 60,000.00	\$ 0.00	\$ 60,000.00
	-----	-----	-----
Total	\$ 60,000.00	\$ 0.00	\$ 60,000.00
	=====	=====	=====

There was no retirement of assets for the year ended December 31, 2003.

NOTE 5. CHANGES IN GENERAL LONG-TERM OBLIGATIONS

The following is a summary of the long-term obligation transactions during the year:

	<u>Note Payable</u>
Long-term obligations payable at December 31, 2002	\$23,230.00
Additions	-0-
Deductions	23,230.00

Long-term obligations payable at December 31, 2003	-0-
	=====

NOTE 6. LITIGATION AND CLAIMS

At December 31, 2003 the board had no litigation or claims pending.

INDEPENDENT ACCOUNTANT'S REPORT ON AGREED-UPON PROCEDURES

**Board of Commissioners
FIRE PROTECTION DISTRICT NO. 7
STATE OF LOUISIANA
506 HIGHWAY 308
Thibodaux, Louisiana**

We have performed the procedures included in the Louisiana Government Audit Guide enumerated below, which were agreed to by the management of the Fire Protection District No. 7 and the Legislative Auditor, State of Louisiana, solely to assist the users in evaluating management's assertions about the Fire Protection District No. 7's compliance with certain laws and regulations during the year ended December 31, 2003 included in the accompanying Louisiana Attestation Questionnaire. This agreed-upon procedures engagement was performed in accordance with standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of the specified users of the report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

Public Bid Law

1. Select all expenditures made during the year for material and supplies exceeding \$15,000 or public works exceeding \$100,000, and determine whether such purchases were made in accordance with LSA-RS 38:2211-2251 (the public bid law).

No expenditures were made during the year for material and supplies exceeding \$15,000 and no expenditures were made for public works exceeding \$100,000.

Code of Ethics for Public Officials and Public Employees

2. Obtain from management a list of the immediate family members of each board member as defined by LSA-RS 42:1101-1124 (the code of ethics), and a list of outside business interests of all board members and employees, as well as their immediate family members.

Management was not requested to provide us with the required list due to the fact that there were no employees paid during the year.

3. Obtain from management a listing of all employees paid during the period under examination.

There were no employees paid during the year.

4. Determine whether any of those employees included in the listing obtained from management in agreed-upon procedure (3) were also included on the listing obtained from management in agreed-upon procedure (2) as immediate family members.

There were no employees paid during the year.

Budgeting

5. Obtain a copy of the legally adopted budget and all amendments.

The District's budget for the year ended December 31, 2003 is on file. The District did not amend this budget.

6. Trace the budget adoption and amendments to the minute book.

Management adopted the budget for the year ended December 31, 2003 at the Fire District's Board of Directors meeting held on December 11, 2002. The District did not amend this budget.

7. Compare the revenues and expenditures of the final budget to actual revenues and expenditures to determine if actual revenues or expenditures exceeded budgeted amounts by more than 5%.

Management adopted a budget for the year ended December 31, 2003. However, during the year, an emergency board meeting was held to approve an additional disbursement of \$11,000 to the Lafourche Crossing 308 Volunteer Fire Department in order to purchase equipment and supplies needed to receive a better fire rating and thus reduce area homeowners' fire insurance premiums. The board approved this disbursement, but did not amend the budget to reflect this. Therefore, the actual revenues and disbursements exceeded budgeted amounts by more than 5%.

Accounting and Reporting

8. Randomly select 12 disbursements made during the period under examination and:
 - (a) trace payments to supporting documentation as to proper amount and payee;

There were only twelve disbursements made during the year ended December 31, 2003. We examined supporting documentation for each of the twelve selected disbursements and found that payment was for the proper amount and made to the correct payee.

- (b) determine if payments were properly coded to the correct fund and general ledger account;

All of the payments were properly coded to the correct fund and general ledger account.

- (c) determine whether payments received approval from proper authorities.

Inspection of documentation supporting each of the ten selected disbursements indicated approvals from the board.

Meetings

9. Examine evidence indicating that agendas for meetings recorded in the minute book were posted or advertised as required by LSA-RS 42:1 through 42:12 (the open meetings law).

The District is required to post a notice of each meeting and the accompanying agenda on the door of the office building. We inquired of management and was informed that the required notice is posted.

Debt

10. Examine bank deposits for the period under examination and determine whether any such deposits appear to be proceeds of bank loans, bonds, or like indebtedness.

We inspected the source of all deposits for the period under examination and noted no deposits which appeared to be proceeds of bank loans, bonds, or like indebtedness.

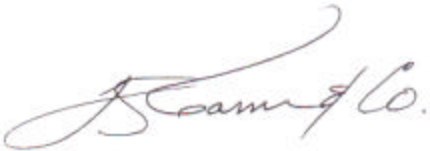
Advances and Bonuses

11. Examine payroll records and minutes for the year to determine whether any payments have been made to employees which may constitute bonuses, advances, or gifts.

The District did not have any employees at any time during the year.

We were not engaged to, and did not perform an examination, the objective of which would be the expression of an opinion on management's assertions. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the use of the management of the Fire Protection District No. 7 of Lafourche Parish and the Legislative Auditor, State of Louisiana, and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purpose. However, this report is a matter of public record and its distribution is not limited.



February 6, 2004

LOUISIANA ATTESTATION QUESTIONNAIRE

(For Attestation Engagements of Government)

January 2, 2004

From: Fire District No. 7 of Lafourche Parish
506 Hwy 308
Thibodaux, LA 70301

To: T.S. Kearns & Co.
Certified Public Accountants
501 Canal Boulevard
Thibodaux, LA 70301

In connection with your compilation of our financial statements as of December 31, 2003 and for the year then ended, and as required by Louisiana Revised Statute 24:513 and the *Louisiana Governmental Audit Guide*, we make the following representations to you. We accept full responsibility for our compliance with the following laws and regulation and the internal controls over compliance with such laws and regulations. We have evaluated our compliance with the following laws and regulations prior to making these representations.

These representations are based on the information available to us as of the date this questionnaire is signed.

Public Bid Law

It is true that we have complied with the public bid law, LSA-RS Title 38:2212, and, where applicable, the regulations of the Division of Administration, State Purchasing Office.

Yes [☒] No [☐]**Code of Ethics for Public Officials and Public Employees**

It is true that no employees or officials have accepted anything of value, whether in the form of a service, loan, or promise, from anyone that would constitute a violation of LSA-RS 42:1101-1124.

Yes [☒] No [☐]

It is true that no member of the immediate family of any member of the governing authority, or the chief executive of the governmental entity, has been employed by the governmental entity after April 1, 1980, under circumstances that would constitute a violation of LSA-RS 42:1119.

Yes [☒] No [☐]**Budgeting**

We have complied with the state budgeting requirements of the Local Government Budget Act (LSA-RS 39:1301-14) or the budget requirements of LSA-RS 39:34.

Yes [☒] No [☐]

• **Accounting and Reporting**

All non-exempt governmental records are available as a public record and have been retained for at least three years, as required by LSA-RS 44:1, 44:7, 44:31, and 44:36.

Yes [☒] No [☐]

We have filed our annual financial statements in accordance with LSA-RS 24:514, 33:463, and/or 39:92, as applicable.

Yes [☒] No [☐]

We have had our financial statements audited or compiled in accordance with LSA-RS 24:513.

Yes [☒] No [☐]

Meetings

We have complied with the provisions of the Open Meetings Law, provided in RS 42:1 through 42:12.

Yes [☒] No [☐]

Debt

It is true we have not incurred any indebtedness, other than credit for 90 days or less to make purchases in the ordinary course of administration, nor have we entered into any lease-purchase agreements, without the approval of the State Bond Commission, as provided by Article VII, Section 8 of the 1974 Louisiana Constitution, Article VI, Section 33 of the 1974 Louisiana Constitution, and LSA-RS 39:1410.60-1410.65.

Yes [☒] No [☐]

Advances and Bonuses

It is true we have not advanced wages or salaries to employees or paid bonuses in violation of Article VII, Section 14 of the 1974 Louisiana Constitution, LSA-RS 14:138, and AG opinion 79-729.

Yes [☒] No [☐]

We have disclosed to you all known noncompliance of the foregoing laws and regulations, as well as any contradictions to the foregoing representations. We have made available to you documentation relating to the foregoing laws and regulations.

We have provided you with any communications from regulatory agencies or other sources concerning any possible noncompliance with the foregoing laws and regulations, including any communications received between the end of the period under examination and the issuance of this report. We acknowledge our responsibility to disclose to you any known noncompliance that may occur subsequent to the issuance of your report.

Roger Guelot Secretary 1-14-04 Date

James R. Butler Treasurer 1-14-04 Date

Gary P. Zimmerman President 1-14-04 Date